

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE)	
ENERGY KENTUCKY, INC. FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY AUTHORIZING THE)	CASE NO.
COMPANY TO CLOSE THE EAST BEND)	2016-00398
GENERATING STATION COAL ASH)	
IMPOUNDMENT AND FOR ALL OTHER)	
REQUIRED APPROVALS AND RELIEF)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
DUKE ENERGY KENTUCKY, INC.

Duke Energy Kentucky, Inc. ("Duke Kentucky"), pursuant to 807 KAR 5:001, is to file with the Commission an original and six copies in paper medium and an electronic version of the following information. The information requested herein is due on or before February 1, 2017. Responses to requests for information in paper medium shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Duke Kentucky shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Duke Kentucky fails or refuses to furnish all or part of the requested information, Duke Kentucky shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a paper containing personal information, Duke Kentucky shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, page 3, paragraph 5. Provide the status of the construction of the West Landfill at East Bend.

2. Refer to the Application, Exhibit 6, page 2 of 2, paragraph 6. Explain why the proposed retention basis would not be regulated by the Division of Waste Management.

3. Refer to the Application, Exhibit 7, page 11 of 157. Section 2.4.1 states, "A screening process was completed to evaluate potential combinations of technologies that were considered feasible to provide the performance required and that also were in operation at other facilities with sufficient experience to confirm their viability for long term successful operation." Provide a copy of this analysis.

4. Refer to the Application, Exhibit 7, page 157 of 157. Provide Appendix K, which appears to have been submitted to Duke Kentucky separately from the Project Definition Report prepared by Burns & McDonnell Engineering Company, Inc.

5. Refer to the Direct Testimony of David Renner (“Renner Testimony”), page 6, line 9. Explain in detail the consequences if Duke Kentucky were not to be in compliance with the Steam Electric Effluent Limitation Guidelines (“ELG Final Rule”) beginning November 2018.

6. Refer to the Renner Testimony, page 7, lines 11–15.

a. State the reasons why and the process by which Duke Kentucky selected Burns & McDonnell and Amec Foster Wheeler PLC to assist it in evaluating compliance options with the ELG Final Rule and the Coal Combustion Residuals Final Rule.

b. State the responsibilities that were assigned to each of the two engineering firms.

7. Refer to the Renner Testimony, page 10, lines 8–10. Explain how each of the contracts listed will be awarded.

8. Refer to the Direct Testimony of Brandon Delis, page 11, lines 2–4.

a. Explain why the estimated current volume of coal combustion residuals contained in the East Bend ash pond was calculated based on “bathymetry surveys, historical topography and soil borings as of 2014” and not at a more current date.

b. What impact would an estimate based upon more recent data have on the scope and cost of closing and removing the East Bend ash pond?

9. Refer to the Delis Testimony, page 14, lines 6–8. Does the estimated \$36.1 million associated with the Retention Basin Construction include the cost for the proposed holding basin?

10. Refer to the Delis Testimony, Attachment BD-1.

a. Refer to page 5 of 22, Cost section for the proposed East Bend ash pond closure and removal option. Explain the difference between project (1) showing capital costs of \$27.5 million and project (1A) showing capital costs of \$22.5 million. Include in this explanation how those estimates were derived.

b. Refer to page 8 of 22, Cost section for the proposed East Bend ash pond close in place option. State how the estimated capital costs of \$17.6 million and \$18.5 million were derived and provide a breakdown of the estimated long-term operations, maintenance, and monitoring cost of \$4.1 million.

c. Refer to page 11 of 22, Cost section for the proposed East Bend ash pond hybrid 1 – reduced footprint option. State how the estimated capital costs of \$14.2 million and \$14.7 million were derived and provide a breakdown of the estimated long-term operations, maintenance, and monitoring cost of \$2.9 million.

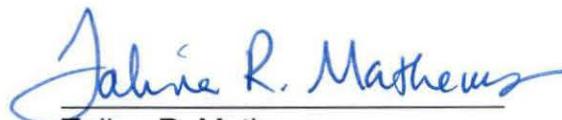
d. Refer to page 14 of 22, Cost section for the proposed East Bend ash pond hybrid 2 – reduced footprint option. State how the estimated capital costs of \$14.5 million and \$15.7 million were derived and provide a breakdown of the estimated long-term operations, maintenance, and monitoring cost of \$2.9 million.

e. Refer to page 21 of 22. Option 3A shows a total score of 6.9, compared to the score of 7.0 for Option 1A (which appears to be the option selected by

Duke Kentucky). Given the minor difference in scoring, explain the reasons Option 1A is preferred over Option 3A.

11. Refer to the Delis Testimony, Attachments BD-3 and BD-4. These exhibits provide an abbreviated cost summary by general category. Provide a detailed breakdown of the cost estimates for the projects shown in each of these exhibits.

12. Refer to the Direct Testimony of Tammy Jett, page 15, lines 1–5. State whether the Application for Permit to Construct Across or Along a stream and/or Water Quality Certification has been filed with the Kentucky Department of Environmental Protection.



Talina R. Mathews
Executive Director
Public Service Commission
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DATED JAN 17 2017

cc: Parties of Record

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